

Message Text

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PAGE 01 STATE 109483
ORIGIN COME-00

INFO OCT-01 ARA-10 ISO-00 EB-08 /019 R

DRAFTED BY COM/OED/MEPD/FCROSLEY/LW
APPROVED BY EB/OCA/CM:JJREILLY
COM/OED/MEPD/LENGLESON, ACTG. DIR
COM/OIM/JBLOW (SUBS)

-----102416 290103Z /17

P 282355Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA PRIORITY
INFO AMCONSUL RIO DE JANEIRO PRIORITY

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E.O. 11652: N/A

TAGS: BENC, BR

SUBJECT: MAJOR PROJECT: ELECTRO NORTE 500 KV ELECTRICAL
TRANSMISSION LINE

1. BECHTEL CORPORATION, POWER SYSTEMS DIVISION IS
PREPARING TO BID SUBJECT PROJECT BUT FORESEES DIFFICULTY
IN GETTING FULL ACCEPTANCE OF ITS OFFER AND HAVE
REQUESTED COMMERCE/MEPD ASSISTANCE. MEPD UNDERSTANDS THAT
THIS IS A TURNKEY PROJECT FINANCED PARTIALLY BY FRENCH
GOVERNMENT LOAN.

2. BECHTEL WOULD LIKE TO SUPPLY SOME COMPONENTS FROM
OUTSIDE BRAZIL IN ORDER TO SUBMIT A MORE COMPETITIVE BID
WITH ITS BRAZILIAN PARTNER. HOWEVER, BRAZILIAN IMPORT
REGULATIONS RESTRICT NON BRAZILIAN ITEMS. FOR EXAMPLE:
WITH PROCUREMENT OUTSIDE OF BRAZIL, BECHTEL CAN OBTAIN
CABLE FOR 14 MILLION DOLLARS VERSUS 30 MILLION DOLLARS
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FROM WITHIN BRAZIL. INSULATORS ARE OBTAINABLE OUTSIDE
BRAZIL FOR THREE MILLION DOLLARS VERSUS SIX MILLION DOLLARS
WITHIN BRAZIL. BECHTEL ALSO BELIEVES BRAZILIAN SOURCES

WILL HAVE GREATER DIFFICULTY WITH PRODUCTION SCHEDULES THAN

PROCUREMENT SOURCES OUTSIDE BRAZIL. FYI. IN VIEW OF

BECHTEL'S POSSIBLE PLAN TO SOURCE FROM THIRD COUNTRIES,
REQUEST EMBASSY CHECK TO SEE IF ANY OTHER U.S. FIRMS ARE
BIDDING WITH A PREPONDERANCE OF U.S. SOURCED EQUIPMENT
AND AT EMBASSY DISCRETION, DISCUSS WITH BRAZILIANS FOR
POSSIBLE MODIFICATION OF REGULATIONS WHICH NOW LIMIT
PROCUREMENT FROM FOREIGN SOURCES. (PERHAPS MODIFICATION
COULD ALLOW A PORTION OF CONDUCTOR AND INSULATOR CONTENT
TO BE LOCALLY MANUFACTURED AND THE REMAINING FROM U.S. OR

OTHER SOURCES.)

3. BECHTEL RECOGNIZES OTHER U.S. CONTRACTORS MAY BE
BIDDING, THEREFORE, DOES NOT WANT ITS NAME USED. MEPD
WOULD APPRECIATE EMBASSY COMMENTS AND EVALUATION OF U.S.
CONTRACTORS CHANCES IF U.S. PRODUCTS ARE USED. VANCE

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Message Attributes

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Draft Date: 28 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
Disposition Reason:
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ISecure: 1
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Line Count: 77
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Classification: LIMITED OFFICIAL USE
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Previous Handling Restrictions: n/a
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Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2886971
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: ELECTRO NORTE 500 KV ELECTRICAL TRANSMISSION LINE
TAGS: BENC, BR
To: BRASILIA
Type: TE
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Review Markings:
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